

# Fragile to agile

Withstanding  
uncertainty as an  
adaptive organization

**FUJITSU**

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# Contents

03| Foreword

04| Executive summary

**Chapter 1:** "When faced with changing customer expectations, be aggressive or be at risk"

06| The need for speed

08| How bold should you go?

09| Pace and Priorities: a global snapshot

**Chapter 2:** "To survive, organizations must democratize and decentralize"

11| Democratize and decentralize

13| Enabling the future with cloud

18| Conclusion & recommendations

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# Foreword

**"The single most important thing the crisis has taught me is a business cannot wait for the transformation it needs"**  
– Fortune CEO survey

This is just one of the C-level views we've been hearing over the past few months, but it's representative of the many IT and line of business customers we've helped through a period of rapid change.

Leaders have known for a long time that the world is changing faster than ever before. After two decades of digital disruption, it was clear that agility was a valuable attribute – and only the organizations able to adapt, at speed, could hope to succeed.

However, in 2020 we all went through a period of crisis like never before, and adaptability went from an aspiration to a fundamental survival trait.

In responding to the COVID-19 crisis, many organizations discovered just how resilient and agile they could be. We saw multinational businesses switch to remote working in days, physical tasks becoming digitalized, and services changed for entirely new customer needs.

But the change is far from over. We will all need to live with unpredictability for a long time. Organizations will need the adaptability to move from crisis response to recovery, growth and success – or, to put it another way, from fragile to agile.

Becoming an adaptive organization involves honing a number of strengths. In this series of reports, we'll explore four key facets that will help organizations to drive change – the sort of change that happens quickly, but with lasting results.

There are insights from business and IT leaders across the industry – and of course, our guidance to help you move forward.

As CEOs and CIOs have told us, this crisis has underlined that adaptability is not just essential – but achievable. Now, it's time to look to the future.



**Brad Mallard,**  
CTO for Digital Technology Services,  
Fujitsu Europe

# Executive summary

Speed is of the essence. It's a phrase we're all familiar with but in these uncertain times, it's never been more important to move quickly: to keep abreast of market changes and adapt how we operate to ensure a successful future.

This has been especially true during the pandemic. COVID-19 has been a starting pistol: a sign that agility is not merely a nice-to-have, but a business necessity. Those quick off the mark in embracing agility have found they're not just surviving, but thriving during a time of deep disruption, while those reluctant to change are struggling to keep up.

We've recently conducted a global survey of IT decision-makers and line of business stakeholders with the aim of finding out how businesses are adapting to the challenges of both today and tomorrow.

Overall, we've found leaders to be aware of the importance of pace – which they define as the ability to react to the needs of customers. Some 77% of leaders agree they need to react faster when faced with market uncertainty and change. However, for cloud projects it takes an average of 7 months to build a business case and 6.6 months to gain internal approval. This highlights the tension between business leaders knowing what's needed to remain competitive and what their organization is able to achieve.

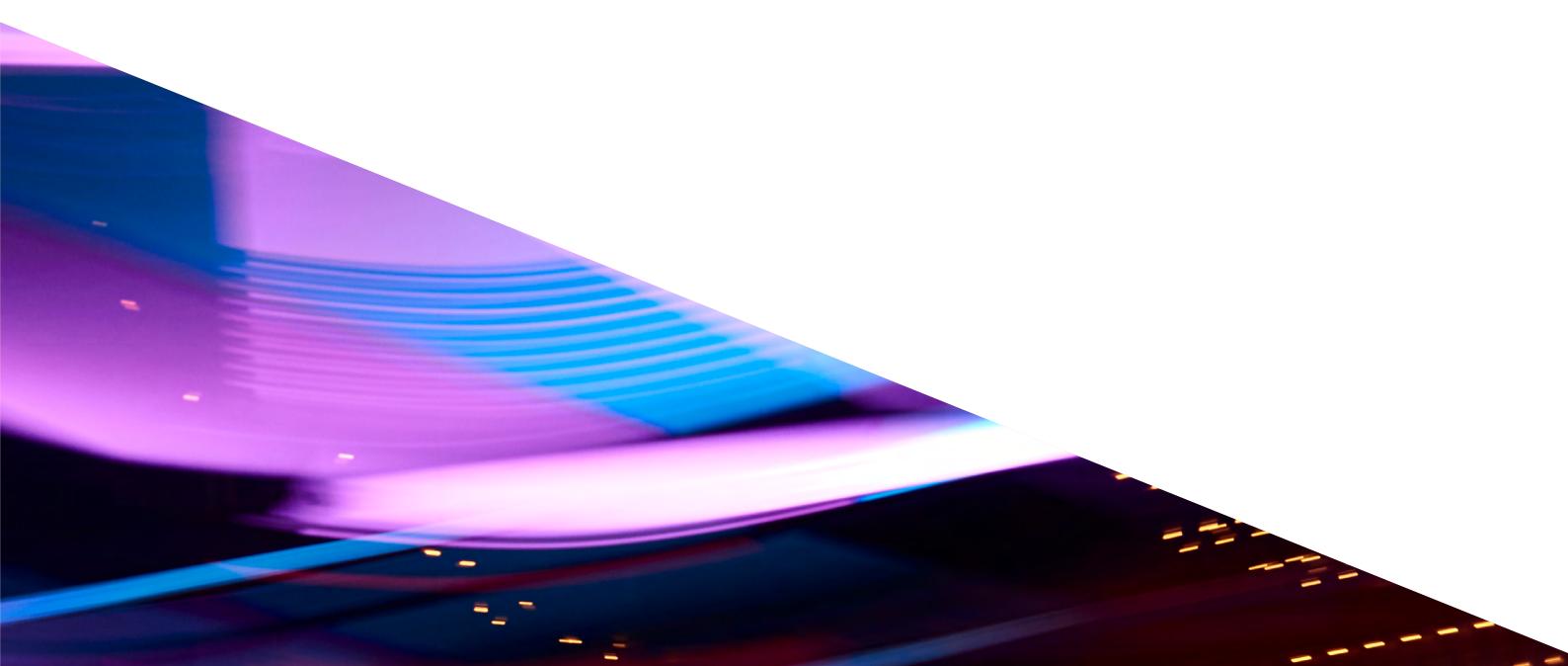
Leaders also note the importance of agility, which they define slightly differently: the need to respond and adapt to outside factors.

Interestingly, when asked about these 'outside factors,' competitors are named as a bigger concern than COVID-19, politics, or technological change.

From this research, we've pulled out four key insights:

- When faced with changing customer expectations, be aggressive or be at risk
- To survive, organizations must democratize and decentralize
- Out with the old: paying back technical debt is critical to delivering real value
- Every business needs to be a tech business, but not all have the skills and resources to succeed.

This report, the first in a two-part series, will explore the first two insights. Our second report, which will be released in early 2021, will dig into the second two.



# Executive summary

In terms of this report and the first two insights, here is a summary of our findings...

## **Businesses are struggling to keep up with their customers' rapidly shifting demands:**

Customers' needs are changing all the time – sometimes on a weekly basis. Some 41% of businesses admit they're rarely, sometimes or never able to keep up with them.

## **Businesses recognize now is the time to be aggressive with their transformation strategies:**

Almost two thirds of businesses (64%) believe moving faster requires them to scrap their existing transformation strategy and replace it with something new.

## **Responding to competitive and market disruptions is the biggest factor that defines an organization's resilience – even against the backdrop of COVID-19:**

The majority (38%) of leaders define resilience as the ability to deal with and respond to competitive and market disruptions (such as competitors and new entrants) – as opposed to societal or geopolitical disruptions (32%).

## **The majority of organizations are now realising the role that data can play in their future efforts to be relevant and competitive:**

Almost three quarters (74%) of businesses agree or strongly agree that utilizing business data is key for survival in 2021.

## **To survive, organizations know they must democratize and decentralize:**

Businesses want employees to have data access and decision-making power, with nearly two-thirds (65%) agreeing that decisions should be made by everyone in the company.

## **However, businesses are failing to democratize their operations:**

The majority of businesses (58%) admit their decision-making is heavily or fairly centralized, and 24% say that giving employees use of data is risky.

## **Cloud adoption is vital for remaining relevant and competitive:**

Leaders say that cloud platforms (71%), cloud-hosted data (69%) and cloud-native applications (68%) are highly important to customer experience – even more so than emerging technologies.

Our findings confirm that speed is very much of the essence. Businesses understand the importance of agility, yet they are still to take steps to make that happen. Embracing cloud technology and democratizing decisions and data are vital in order to keep pace with customers.

And with COVID-19 likely to cast its shadow long into the future, that can't happen soon enough.

# Chapter 1:

## “When faced with changing customer expectations, be aggressive or be at risk”

### The need for speed

It's no secret: the pandemic has accelerated the pace of change. Customer expectations – which were already quickly evolving – have changed dramatically in the face of COVID-19. Almost overnight, customers are demanding more.

More digital services, more connectivity and more seamless interactions across physical and digital channels. And while some of these are short-term needs brought on by the pandemic, others represent a new standard that businesses will be expected to meet going into the future.

To get a better idea of these pressures, we asked leaders to outline what they mean by 'pace.' Businesses most commonly define it in terms of the ability to innovate products or services to meet customer needs (39%). Changing business strategy (33%) and updating technology (28%), however, are also important considerations.

Meeting customer needs is the most pressing problem when it comes to pace. And when probed further, **41% of leaders say their customers' needs are changing within weeks at a time.** Furthermore, 41% of businesses say they are only sometimes, rarely, or even never able to keep up with them.

Businesses fully understand the importance of cloud when it comes to meeting customer expectations. Some **72% of leaders say meeting customer needs is the driving force behind their cloud strategy** – showing that customers are clearly front-of-mind when it comes to adopting cloud.

### Fujitsu expert view



Most organizations see rapidly shifting customer needs as the driver for greater pace in their organization. In light of how 2020 changed customer expectations forever, it's little wonder that organizations are now defining and focusing on 'pace' from the customer standpoint. However, what is quite surprising is that, whilst a significant number of those surveyed say they struggle to keep up with changing customer needs, actually the majority of organizations (59%) feel like they can keep up more than 'some of the time'.

I don't think this will last. Nearly half of organizations say their customers' needs are already changing at a rapid pace, within weeks at a time. I suspect a 'rolling thunder effect' will take place over the coming year, whereby the time gaps between shifting customer demands will only get shorter and the business impact of each change – or its 'rumble' throughout the organization – will only get louder, causing much greater tremors to be felt internally.

To keep up with the pace of change, cloud technologies are clearly very important – with almost three-quarters of respondents saying customer experience is driving their cloud strategy. The use of cloud for enhancing customer experience (and user experience) will only grow as businesses look to bring new 'phygital' experiences to life. But for this to really work and drive the organization forward, business and IT leaders must start seeing cloud as a business decision/investment (currently 46%), not a technology one (54%).

**Brad Mallard,  
CTO for Digital Technology Services, Fujitsu Europe**

Interestingly, despite this understanding of cloud's relationship to CX, the majority (54%) see it as technology-driven investment (aimed at improving existing IT functionality) rather than a business one (46%).

It seems clear that businesses are not equipped to deal with the pace of change – whether that be recent events, or the speed with which competitors respond. Those unable to pivot lose the opportunity to win their customers' hearts and minds. And yet, businesses don't tend to consider themselves as being particularly slow; in fact, **leaders are more than twice as likely to class themselves as 'fast' (33%) rather than 'slow' (15%)**.

Business and IT leaders regard themselves as 'keeping up' when it comes to responding to market disruption (44%) and adopting technology to improve performance (44%). Surprisingly, when it comes to technology adoption, only 12% say they are slow and only 7% could call themselves 'laggards'.

That's not to say businesses believe they can't do better. Some 77% of leaders agree they need to react faster when faced with market uncertainty and change.

But in any case, the fact remains that many businesses are not able to meet their customers' expectations – which could be argued is the most important measure of agility. As businesses head into the future, this needs to change.

## Fujitsu expert view

**//** In the latter stages of 2020, following the initial Covid-19 crisis management period, a C-level IT executive said at a Fujitsu CIO advisory event, "Forget what you know about our strategy; this will need to be re-written." And they don't seem to be alone in this, with around two-thirds of the business leaders surveyed looking at re-writing their future.

So what happens next for organizations 'starting from scratch'?

Well, with future speed and resilience firmly top of the priority list, IT and business leaders should place focus on making sure their plans for tomorrow have two key characteristics. The first is that transformation plans now need to be adaptable: able to flex and pivot – both away from risk and, crucially, towards areas of new business opportunity and growth. This seems particularly true with the majority of the market defining 'resilience' as their ability (or inability) to withstand new competitor strategies and entrants.

The second key characteristic for plans is ensuring they are iterative. Long gone are the days when businesses should target 'big-bang' transformation. Much more appropriate is a strategy that targets continuous and iterative improvement: in other words, evolution not revolution. It's an approach that's quicker to implement, faster to react with and, if done well, makes sure the organization stays current in the face of constant, rapid change. **//**

**Brad Mallard,**  
**CTO for Digital Technology Services, Fujitsu Europe**

## How bold should you go?

One thing we can say for certain is that businesses, no matter how fast they are, can become faster.

An encouraging sign from our survey is that businesses realize the need to be bold. **Almost two thirds (64%) of leaders believe moving faster requires them to scrap their existing transformation strategy and replace it with something new.** Clearly, businesses have no qualms about ripping up the rulebook.

**Some 36% of leaders say speed is essential for short term survival.** Interestingly, the second biggest priority is operational resilience (33%). This is significant because, when we ask leaders to define resilience, their definitions aren't related to today's 'unprecedented times'.

Despite COVID-19, the majority (38%) of leaders define resilience as the ability to deal with and respond to competitive and market disruptions (such as competitors and new entrants) – as opposed to dealing with societal or geopolitical disruptions (32%) or digital and technological disruptions (31%).

The need for resilience is not something that will fade away. It seems as long as there is stiff competition, there will be the pressing need to shore up processes and build resilience across operations.

If we focus on long-term priorities, optimizing business processes (35%), making existing services more reliable (34%) and augmenting customer experience (32%) come out as leaders' top strategies for building a more resilient organization.

Resilience and speed go hand-in-hand when it comes to meeting these short- and long-term priorities. A fast business is often a resilient one and is able to scale and flex to meet market demands. Furthermore, businesses should remember that pace and agility are two different things, and they should have a clear strategy for achieving both.

With that in mind, it's important to know what is standing in the way of businesses becoming faster. Some 58% of leaders told us it comes down to one thing: organizational and technological complexity.

## Fujitsu expert view



When IT was established in organizations it was seen as an enabler and a cost to the business; in recent years IT has become a mainstay of growth, engagement and operational effectiveness. Organizational and technological complexity is borne because the role of IT has fundamentally changed - with processes, technology and organizational constructs built for an older business model.

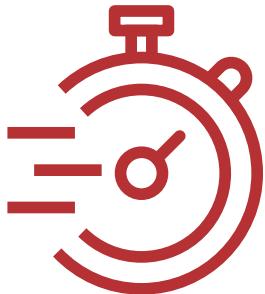
To solve and simplify complexity, first you have to understand it. What are the different elements of technology, service, process, etc. that have built up over time – and what are the relationships between them all?

This is really important as you look to reinvent the way your organization operates in a digital-first business model, due to the myriad of interconnections and dependencies involved that your current, more traditional services might rely on. We've had to help many 'broken' businesses who hadn't mapped this out as an entire organization (with IT and lines of business working together) before they started to make the transition. It really is crucial.

**Tristan Rogers,  
Head of Strategy and Portfolio -  
Applications and Multi-Cloud services, Fujitsu Europe**

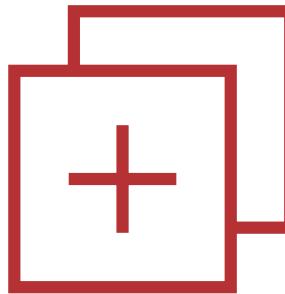
# Pace and priorities: a global snapshot

Can organizations globally keep up with rapid change?



**77%**

of leaders admit they need to react faster when faced with market uncertainty and change

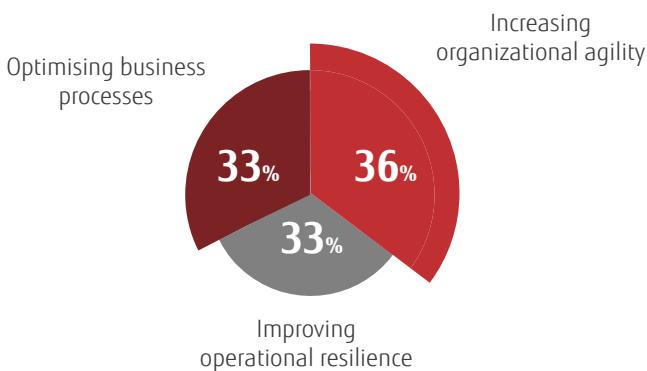


**64%**

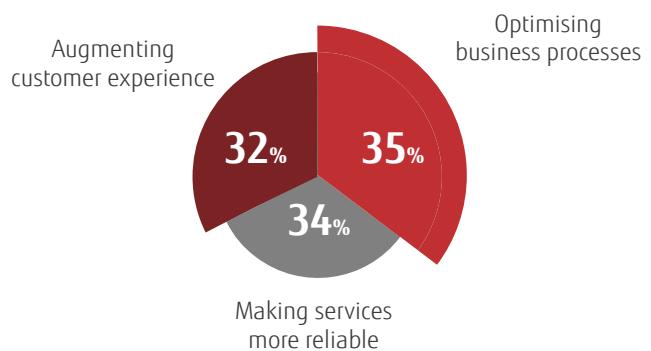
of businesses want to move faster by scrapping their existing transformation strategy and replacing it with something new

How will businesses achieve growth?

Short term survival priorities:



Long term growth priorities:



## Fujitsu expert view



If 2020 was a game-changer for organizations in terms of dealing with short-term disruption – crisis even – presented by the Covid-19 pandemic, then 2021 is the year when organizations should be taking a step back in order to take a look forward into the future.

Our research data suggests that the majority are, by focussing on three things.

**One** – how can they optimize business processes to be more resilient in the face of ongoing uncertainty and the very real possibility of a major disruptive force (virus or not) threatening their business operations again?

**Two** – how can they make services more reliable? I would speculate that this looks at the challenge through a new strategic lens, away from focussing purely on business

continuity (i.e. 'keeping the lights on') in existing services – and more towards building in the ability to 'pivot' the business model back and forth between new and established modes of operation. Businesses will embrace physical, digital and a fluid mixture of each as they micro-segment – and use data intelligence to establish where they play and grow next.

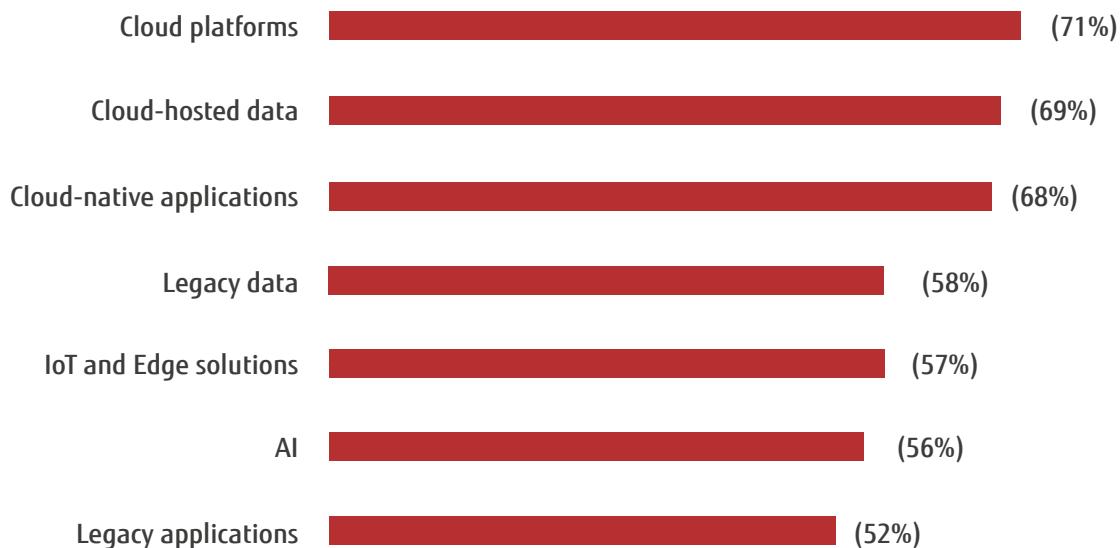
**Related to this is a third area:** organizations building powerful customer experiences – or augmenting existing ones – to be really compelling and relevant for customers. This concept depends on the organization's ability to innovate fast and roll-out new services that integrate the best of the real world with immersive and personalized online engagements.

Organizations are now in a race to accelerate these long-term initiatives. //

**Brad Mallard,**  
CTO for Digital Technology Services, Fujitsu Europe

## What is most important for enhancing customer experiences?

Business leaders say that cloud-based technologies are more important than emerging tech.



### Fujitsu expert view

**II** Emerging technologies are becoming increasingly vital for organizations when looking to redefine the customer experience. Cloud platforms and services, however, are a pre-requisite for these - so they are the best place for businesses to start, particularly as a means of building the foundational resilience, scalability and interoperability needed. Cloud technologies also take cost out and reduce the focus on manual tasks, enabling organizations to focus on and implement emerging technologies on top of their cloud estate.

Despite faring relatively low in businesses' list of technology priorities, the importance of existing data shouldn't be overlooked. There is often a huge amount of insight residing in the data harvested over time. Unlocking this intelligence and making it accessible to cloud services – and emerging technologies like AI and Machine Learning – can often be the game-changer that organizations are looking for when building powerful, highly-relevant customer experiences. **II**

**Tristan Rogers,**  
Head of Strategy and Portfolio -  
Applications and Multi-Cloud services, Fujitsu Europe

# Chapter 2:

## “To survive, organizations must democratize and decentralize”

### Democratize and decentralize

By democratizing decisions and decentralizing data, businesses can embrace a more trusting, autonomous culture – which is, by its nature, much faster.

Technology is a vital resource in gaining agility and delivering on customers' needs. But there is another strand that is just as important: people. Specifically, empowering people with the right data to make better, faster and more informed decisions.

Traditional, top-down decision-making is inevitably bureaucratic and slow. It's in everyone's interest to decentralize data, ensure each employee has their say, and embrace a 'leaders everywhere' culture – and businesses know it.

Some 51% of leaders want employees to feel that their opinions are heard and nearly two-thirds (65%) agree that decisions should be made by everyone in the company, not just at the top. The problem is that **58% of businesses admit their decision-making is heavily or fairly centralized**. Despite leaders having the right intentions, this isn't bearing out in practice.

We can see a similar story when we look at the sharing of data. Leaders say they want employees to feel like they can use data to improve the business (49%) and to help innovate (also 49%). Some 64% know that it makes business sense to decentralize data and allow employees to access it – either all the time or on a case-by-case basis.

Despite this, **almost one in four (24%) businesses say that access or use of data by employees is deemed too risky**. When we unravel the reasons why, around two-thirds (65%) say this is because of concerns/risk around data security and regulation, and 34% are reluctant due to employees not having enough training.

Furthermore, **51% of business agree or strongly agree that too much of their data is currently stored in siloes**. There is, however, an acknowledgment that this has to change. Some 68% of businesses say that giving employees access to data is

more important now than before the pandemic. And in fact, 74% of businesses agree or strongly agree that utilizing business data will be key for survival during 2021.

Trust is vital to the democratization of decisions and decentralization of data. The above research, however, shows that employees are not given the trust needed to make decisions and fully leverage the potential of data. This is a cultural challenge that businesses need to overcome.

### Fujitsu expert view



Decentralized decision-making means trust. Trust that the right decisions will be taken at the right time. But it is not as simple as "trust or not trust". Businesses have been built upon a hierarchy of decision-making, but this isn't the only way. So whilst the concept of 'leaders everywhere' might be a scary thought for some, there are often ways of implementing fast decision-making and action, whilst avoiding putting the business, its services and reputation at risk.

My take is that businesses and government departments often need 'organizational guardrails.' These are agreed practices and frameworks, which can be underpinned by modern technology and agile methodologies, that allow teams to operate at pace within the safety of accepted, robust organizational beliefs, values and ways of working.

That's one aspect – but it's no good 'empowering' or 'trusting' people without transparency and acceptance. Many organizations understand the argument of 'failing early, fast and often' but rarely are they willing to adopt this philosophy in practice. The key is driving a culture of learning that doesn't penalize the wrong decision being taken – and takes a longer-term view that the organization is continually discovering, adapting and evolving – whilst building the ability to quickly mitigate mishaps along the way.

**Tristan Rogers,**  
**Head of Strategy and Portfolio - Applications and Multi-Cloud services, Fujitsu Europe**

## Trust and lack of education continue to be a barrier to effective data sharing

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74% of organizations strongly agree that utilizing business data is key to survival in 2021. However, those that are reluctant to democratize or decentralize data have concerns over employees having the right training or skills to make educated decisions based on data (34%) and trusting employees to use the data in the right way (27%). Storage and access concerns (18%) are less likely to hold back the process.

**"We are reluctant due to concerns or complexity regarding cyber/data security."**



**"We are reluctant due to not enough training."**



**"We are reluctant due to concerns or complexity regarding data regulation."**



**"We are reluctant due to the difficulty in implementing the required business processes."**



**"We are reluctant due to a lack of trust in employees."**



**"We are reluctant due to a lack of technology/analysis tools."**



**"We are reluctant due to data quality being poor."**



**"We are reluctant due to the difficulty in implementing the required solutions."**



**"We are reluctant due to data being stored in too many siloes to be accessible to all."**



# Enabling the future with cloud

Cloud has been hugely useful for organizations during the pandemic, enabling them to scale infrastructure and operations, support new ways of working (such as remote working), and embrace new technology solutions in response to emergent (and future) business problems.

We've already seen how businesses see cloud adoption as a technology investment. But in truth, cloud is more than that. It's an enabler for the entire business: a way for organizations to reimagine how they operate, decentralize decisions and move faster when faced with disruption.

Regardless of whether they see it as a business or technology investment, businesses know cloud is important. Some 74% of leaders see increasing cloud usage as critical for remaining relevant and competitive. And **75% also see the modernization of applications as essential for staying competitive** – with app modernization, of course, being frequently enabled by cloud.

Yet as it stands, only **46% of business applications are in the cloud. Although this is set to increase to 53% by the end of 2021, this slow pace of cloud adoption is a concern.** Businesses are thinking with their cloud caps on and appreciating its benefits, but are not actually following through with investment.

Interestingly, despite industry buzz about emerging tech like AI and Machine Learning – both of which are enabled by cloud – these aren't the reasons businesses are migrating. While these innovative technologies are important to customer experience, leaders told us that cloud platforms (71%), cloud-hosted data (69%) and cloud-native applications (68%) are more significant.

Cloud is deemed to have a positive impact across the board – regardless of line of business. But, breaking the scale of this down by business type, we can see cloud making the biggest impact in eCommerce (89%), communication, collaboration and productivity (87%) and supply chain management (86%).

## Fujitsu expert view

**II** In its advent, cloud was often termed as "someone else's data center." However, as the market has evolved, we can now see that cloud is so much more – a key component for organizations to stay relevant through innovation, and respond to external market forces with the pace and agility now needed.

Put simply, cloud should now be considered a fundamental toolkit for competitiveness – and organizations should heavily invest in it as a strategic whole, rather than dabble in its components. To use an analogy, if you tried to be a mechanic with just a screwdriver and a hammer, would you be able to compete with someone with a complete toolbox? No!

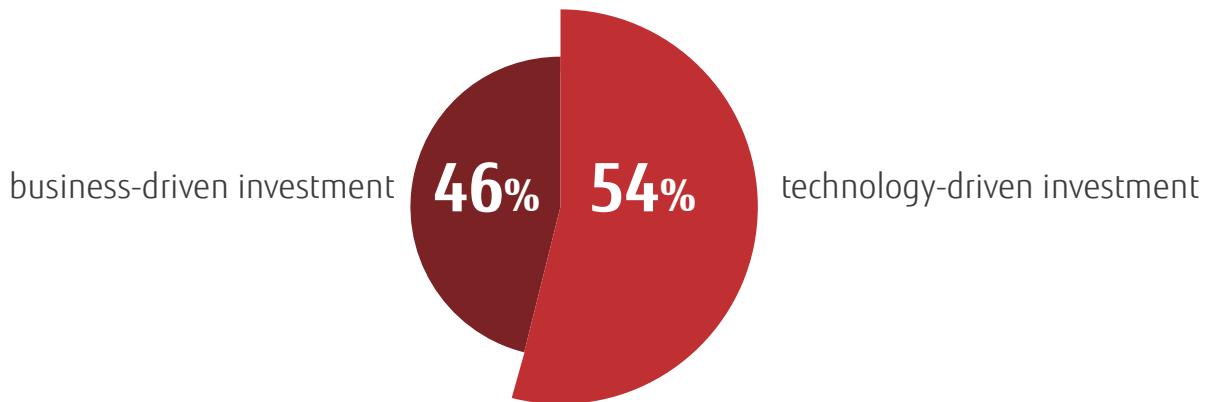
This is why the cloud is a business-driven investment. Using the cloud enables competitive advantage for those that are able to exploit and maximize its capability – and a distinct disadvantage for those that choose to implement the technology purely as a way of driving efficiency, no matter how important cost savings might be in the current climate. **II**

**Tristan Rogers,**  
**Head of Strategy and Portfolio –**  
**Applications and Multi-Cloud services, Fujitsu Europe**

## Cloud: a technology or business decision?

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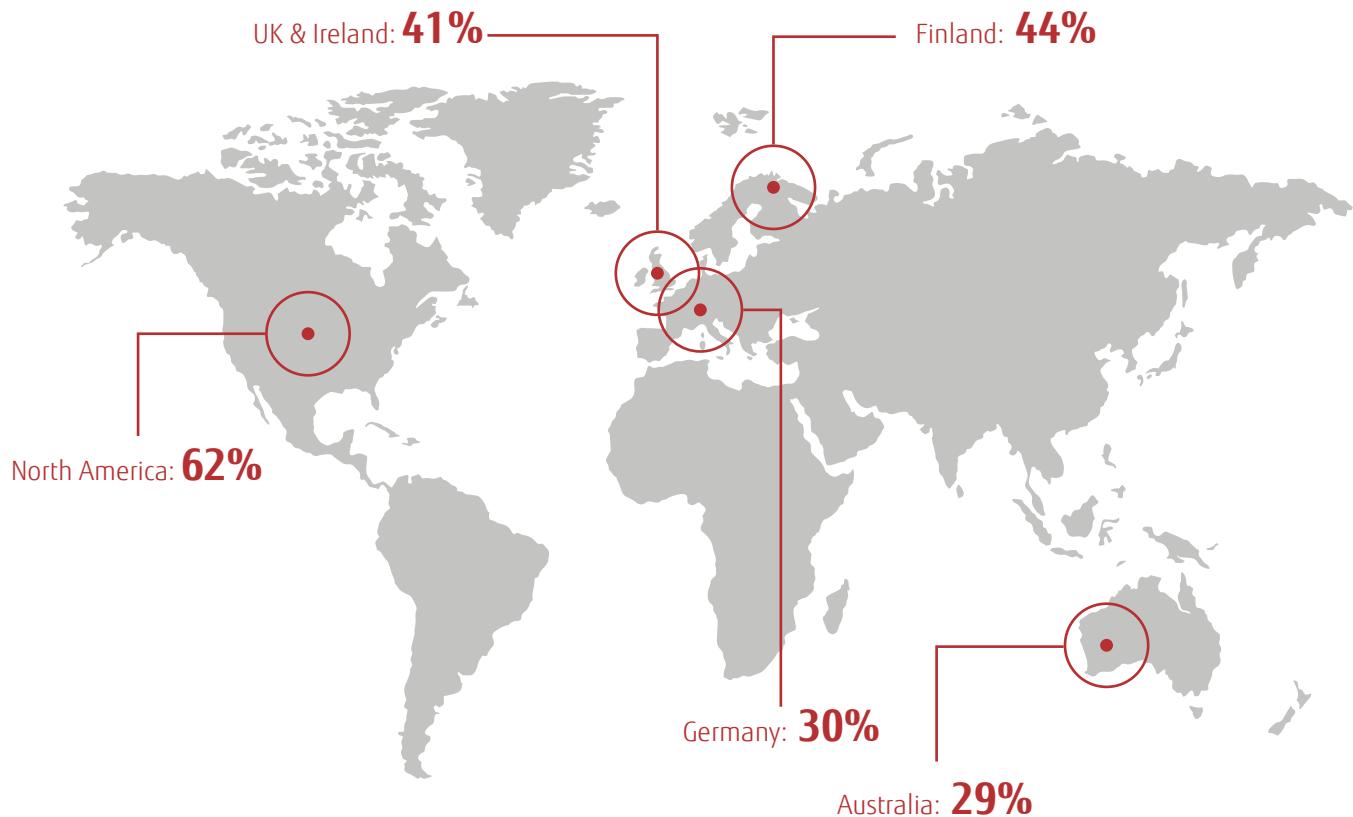
While cloud closely aligns to business objectives and is seen as important to improving customer experience, global business leaders are split when it comes to what these investment decisions are driven by, in terms of 'IT vs. business outcomes'.



## Cloud adoption in 2021

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By the end of 2021, on average, businesses will have over half (53%) of their line of business applications in the cloud – up from 46% at present.



We discussed earlier in this report that businesses know cloud is vital for meeting customer expectations as they evolve. However, there is a lag caused by the time it takes to align and implement a cloud strategy, which causes a delay in organizational responsiveness. We asked the market to tell us how long it typically takes them to complete the necessary tasks.

Interrogate a customer need or demand



Build a business case for a cloud-related investment



Gain necessary approvals and budget sign-off for a cloud project



Agree the cloud type (public, private, other) vs. organizational constraints



Carry out security due diligence of a planned cloud solution –



Agree the destination platform for cloud migration



Build or implement a cloud platform solution



Migrate a business-critical application to the cloud



Re-factor a business-critical application in the cloud



Re-build a business-critical application from scratch in the cloud



The initial alignment to external requirements is apparently the least of organizations' problems, as it took by far the shortest amount of time – but the fact that this was still reported to take 5.7 months, on average, really speaks volumes, as organizations then take even longer to build the business case (7 months), where they identify, align, map and articulate the benefits of the necessary technology investments.

Furthermore, implementation takes even longer. Even once a clear strategy is created, the complexity and risk involved in implementing cloud on top of legacy systems (7.6 months) and re-building business-critical apps that underpin live services (also 7.6 months) must be overcome. The fact that there is often no room for error, due to cloud implementations' business-criticality, makes the process even more time-consuming.

All in all, it's clear that cloud should be much more than a technical investment. It's an innovation that encompasses the whole organization, and lays the foundations for companies and government departments to reimagine everything for the better; from operating processes to business culture. Its scale, speed and innovation capabilities are proving a vital aspect of delivering better customer experiences – and its ability to not only store, serve and enable analysis of data in real-time, but make it accessible and usable in a decentralized model (across silos and traditional organizational boundaries) mean that it's empowering organizations to make more effective decisions, much quicker, for both their short and long-term direction.

While our research showed businesses do understand that cloud is important, it's really time for them to grasp just how transformational it can be – and act on it now.

## Final Fujitsu expert view

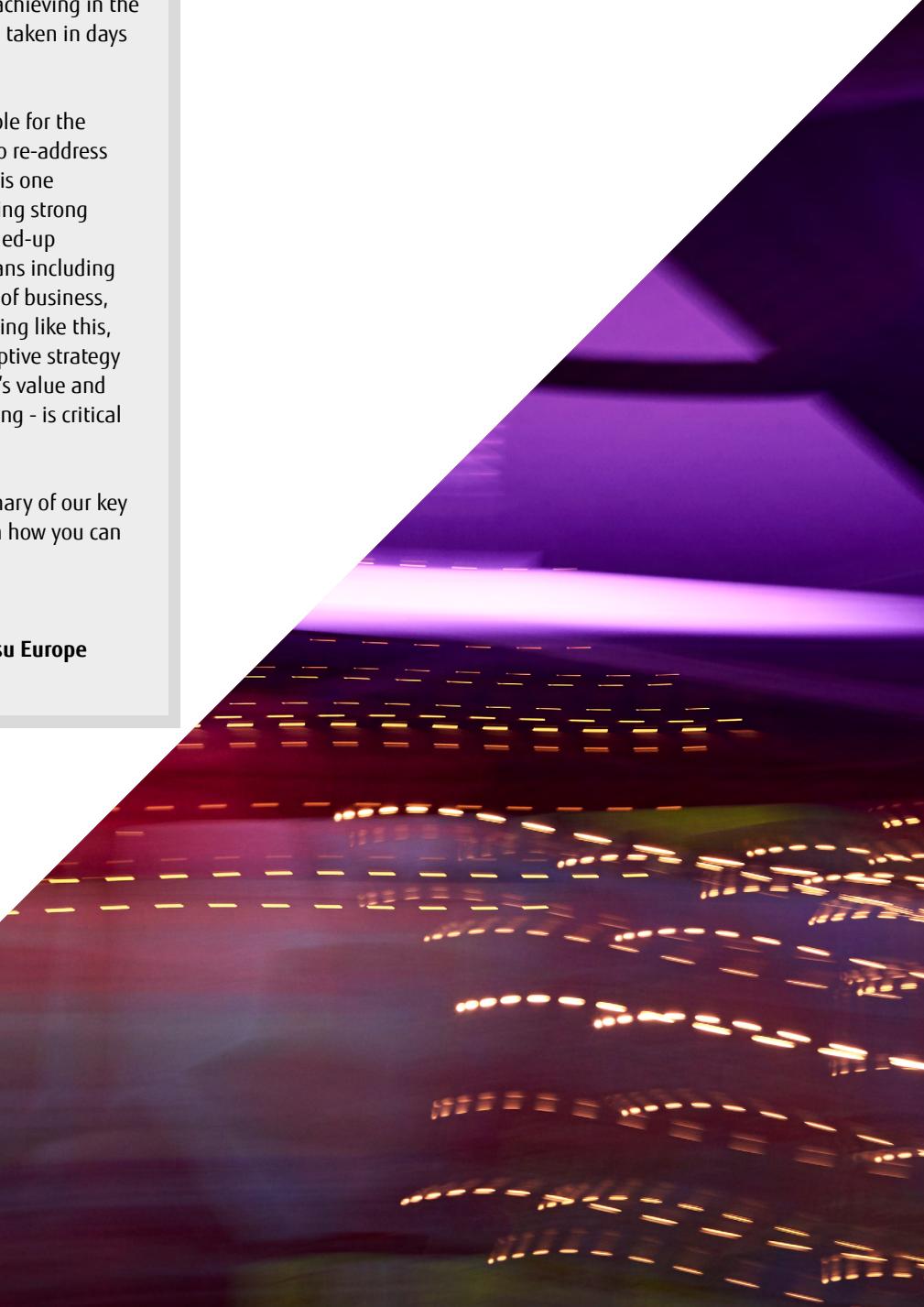
As we've seen throughout this research, building pace into every aspect of the organization really is key to survival right now – and it will be even more important for success going forward. It's clear that, in essence, internal business processes are simply too slow in most organizations.

Challenges throughout 2020 showed that organizations of any size are able to be agile and operate at pace when required. Some even surprised themselves with how quickly they could react: ripping up the red tape to accelerate key initiatives towards target outcomes, at a speed they had never even thought about achieving in the past. Decisions have been made and action taken in days rather than months.

But what will make this possible and scalable for the future? Businesses being able and willing to re-address its priorities and do away with bureaucracy is one aspect. However, even more crucial is building strong leadership and decision-making that is joined-up across the enterprise and beyond. That means including everyone from the IT department and lines of business, to the partner and supplier ecosystem. Uniting like this, behind a single purpose - creating one adaptive strategy to ensure all parties understand each other's value and advocating for fast, informed decision making - is critical for organizations to thrive into the future.

Take a look at the next chapters for a summary of our key industry insights, and recommendations on how you can build a more adaptive organization. //

**Brad Mallard,  
CTO for Digital Technology Services, Fujitsu Europe**



# Industry highlights

## Financial services leaders place most importance on cloud platforms

Financial services is the sector most likely to define pace in relation to changing business strategy (40%). Leaders in the industry are also strongly in support of the view that the priority for moving faster is keeping up with changing customer demand and expectations more regularly (85%). Other priorities for financial services include quickly eliminating inefficiency and cost (82%).

Looking to the cloud, the financial services industry places the greatest importance on cloud platforms (83%). It also has many more of its applications in the cloud and will have 62% of applications there by the end of 2021, making financial services the most cloud-progressive sector.

In regard to decision-making, compared to other sectors, financial services reports to be the least centralized in its decision making (53%). On the other hand, financial services is one of the sectors most likely to base its decisions on data (35%) and is the most likely to encourage employees to access data (76%) – with most agreeing their staff has access to all the data they need to work effectively (86%).

## Manufacturing organizations most likely to see 'pace' in context of customer needs

Manufacturing is the sector most likely to define pace in relation to innovation and customer needs (46%). Business leaders in the sector are also amongst the most probable to define agility in relation to the ability to adjust internal processes and internal products in response to market changes. For manufacturing, other priorities include quickly eliminating inefficiency and cost (81%) and responding to market change (81%).

## Logistics & transport leaders least likely to encourage use of data

Business leaders in logistics & transport most commonly define agility as the ability to adjust internal process and internal products in response to market changes. This sector is also most likely to view resilience in terms of societal and geopolitical disruptions as a result of cross-country trade (40%). Furthermore, responding to market change is another top priority for the industry (84%).

In terms of using data to inform decisions, businesses in logistics & transport are the least likely to encourage the use of data (49%). Perhaps as a result, logistics & transport employees are also the least probable to believe they have access to all the data they need to work effectively (69%). In terms of the barriers facing the industry, cost control and optimization was highlighted as the biggest challenge by business leaders (51%).

## Organizational complexity the biggest barrier for retail leaders

Retail is the sector most likely to define resilience in relation to what competitors and new entrants do (46%). Retail leaders are also most likely to believe that the priority for moving faster is keeping up with changing customer demand and expectations more regularly (85%). For the sector, quickly eliminating efficiency and cost is important (83%) but responding to market change is the main priority (88%).

In addition, organizational complexity is cited more often by retail leaders than any other sector as a barrier (42%). But one barrier not as commonly faced by retail is access to data, with the sector basing a relatively large proportion of decisions on data (30%) and employees agreeing employees having access to all the data they need to work effectively (86%).

Looking to the cloud, retail is joint top when viewing the importance of cloud platforms (83%). But across the whole spectrum of sectors, retail stands alone in stating that cloud investments are business-driven, rather than technology-driven (51%).

## Public sector 'least dependent' on cloud

Despite many sectors claiming to keep the pace – rather than setting it – the public sector is one of the few sectors to admit to being slow in this regard (26%). Furthermore, the sector is also the most likely to report that their customers' needs are changing rapidly (18%). In regard to decision-making, compared to other sectors, the public sector also reports to be much more centralized in its decision making (64%). Lastly, in relation to the cloud, the public sector views the importance of cloud platforms as the least vital, in comparison with other sector views (66%).

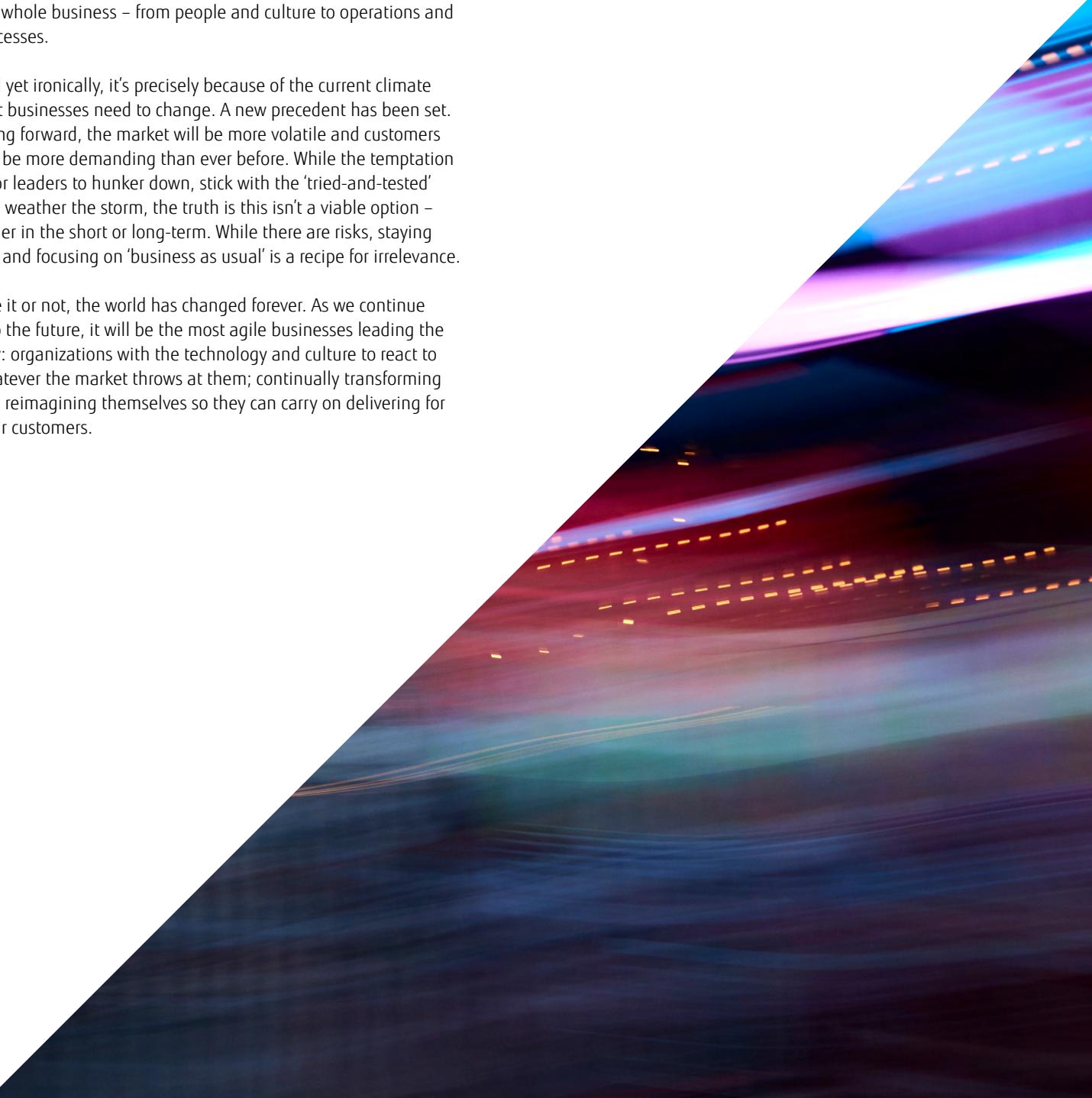
# Conclusion & recommendations

**Speed is very much of the essence.  
And leaders recognize this.**

The barrier to speed isn't knowledge, but rather putting that knowledge into action. Leaders know they need to be agile and they know how to become agile – at least from a technology stance. But shifting the direction of travel requires help from the whole business – from people and culture to operations and processes.

And yet ironically, it's precisely because of the current climate that businesses need to change. A new precedent has been set. Going forward, the market will be more volatile and customers will be more demanding than ever before. While the temptation is for leaders to hunker down, stick with the 'tried-and-tested' and weather the storm, the truth is this isn't a viable option – either in the short or long-term. While there are risks, staying still and focusing on 'business as usual' is a recipe for irrelevance.

Like it or not, the world has changed forever. As we continue into the future, it will be the most agile businesses leading the way: organizations with the technology and culture to react to whatever the market throws at them; continually transforming and reimagining themselves so they can carry on delivering for their customers.



## Four takeaways to help you build a more adaptive organization:

### 1. Increase the pace

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We are in a world where competitive advantage is iterative. That means those that operate at pace are able to keep adding advantage. By contrast, those that aren't aiming for pace are leaving big wins on the table.

However, increasing your pace isn't easy. Start small, try a different approach within a small team and learn and scale from there. There isn't a suitable or straightforward 'big-bang' approach. If this existed, every organization would have adopted it. So make agility a business priority – and don't be afraid to be bold.

### 3. Embrace a cloud-first strategy

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Cloud will be fundamental in the future for powering even more emergent technologies. With cloud, you have a springboard for adopting and scaling cutting-edge solutions. It gives you the ability to lay the correct foundations in your organization for what is immediately developed next.

But don't forget, cloud platforms and cloud-native apps are essential for a good user experience today. And they also allow you to reduce costs and focus on running your business as usual; positioning yourself so that you're prepared to maximize emerging technology the right way over time.

### 2. Don't be daunted by complexity

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Technology is pivotal to becoming faster, but don't let its complexity put you off. Complexity is always a bigger challenge if you try to eat the metaphorical 'complexity elephant' in one sitting. You need to divide the challenge into smaller sections and continuously move forward.

Remember, change always comes with short term pain, but the rewards can be well worth it - and collaborating with the right technology partners can help you to navigate the complexity. Equally, focus on gearing your organization towards being able to continuously evolve. This isn't a one-time change; it is a challenge you are likely to face for the foreseeable future, so it's well worth taking the time to get your approach to it, right - and standardizing and scaling it.

### 4. Democratize and decentralize

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Don't let silos slow you down. Look into decentralizing your data, and learn to trust your employees to make decisions on their own, but within accepted guardrails and with organizational transparency. Work with your users to identify the appropriate safety nets, and start to empower your team members.

It's a balance that will take time, but it's worth starting the process, even if it's in small ways. Remember, decentralization is key for keeping pace with change, and makes for a happier, more engaged workforce overall.

Ultimately, now is the time for action. Pace and your ability to flex need to be the two key tenets of your enterprise, in both the short and long-term future. Becoming faster takes both technological and cultural change. Yes, there will be challenges. But the rewards far outstrip any growing pains.

And while change may feel daunting, as customer expectations continue to grow, even more daunting is the prospect of trying to move forward if you are ill-equipped for the future.

Our transformation experts, partner ecosystem and end-to-end services can help you accelerate your move from crisis management and immediate resilience brought about by the global pandemic, to building a more future-ready and adaptive organization.

Discover more and accelerate your move from 'fragile to agile':

[fujitsu.com/global/themes/adaptive](http://fujitsu.com/global/themes/adaptive)

